WEEKLY ECONOMIC REVIEW

APRIL 22, 2005

The U.S. Consumer Price Index rose to an annual rate of 3.1% in March, exceeding most forecasts and renewing market concerns about the possibility of substantially higher U.S. interest rates.

Economic news from Asia was mixed. China's economy continued to expand at a rapid pace, with real growth reported at 9.5% in the first quarter of 2005. However, there were growing concerns about the struggling Japanese economy, as first quarter trade data fell short of expectations.

Canadian economic releases this week were largely positive. In February, retail sales rose sharply for the second consecutive month, while wholesale trade rose for the fourth time in the past five months. Sales of machinery and equipment were up 20.3% from a year ago, suggesting a strong national investment outlook for 2005.

Alberta's retail and wholesale trade sectors continued to show remarkable strength, posting monthly sales gains of 2.5% and 2.0%, respectively, in February.

Cdn Dollar (US¢/CS)

Apr 22, 2005	81.0 ¢
Apr 15, 2005	80.5¢
2005-06 YTD	81.1¢

WTI Oil SUS/bbl

Apr 21, 2005	$54.20
Apr 14, 2005	$51.13
2005-06 YTD	$53.35

Nymex Natural Gas CS/mcf*

June Contract

Apr 22, 2005	$8.76
Apr 15, 2005	$8.65

*estimate based on Nymex Futures Market Price

Canada's CPI inflation rate rose to 2.3% in March (up from 2.1% in February). Combined with the generally positive tone of recent Canadian economic data, markets are expecting the Bank of Canada to raise interest rates by the second half of 2005. These factors provided support to the Canadian dollar.

After retreating from record highs during the first half of April, oil prices bounced back this week due to an unexpected drop in U.S. inventories and production problems at U.S. and U.K. refineries.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
Consumer Price Index	March			
Alberta	132.7	0.6%	1.8%	1.6%
Canada	126.5	0.6%	2.3%	2.1%
Retail Trade ($ millions)	February			
Alberta	3,879	2.5%	9.4%	11.0%
Canada	30,415	1.7%	7.7%	7.5%
Wholesale Trade ($ millions)	February			
Alberta	4,313	2.0%	17.0%	16.8%
Canada	38,946	1.1%	10.6%	9.5%
New Motor Vehicle Sales (# of vehicles)	February			
Alberta	18,094	8.9%	10.9%	11.9%
Canada	142,558	12.8%	10.2%	8.2%

Source: Statistics Canada

[1]Year-to-date 2005 compared to the same time period in 2004. For example: January-February 2005 versus January-February 2004